

This book is an attempt to cherish the close relationship between India and her closest neighbour, Bhutan. Relations between India and Bhutan date back to the times when rulers of Indian origin ruled southern Bhutan. Apart from the remote antiquity, it can be said that the direct relationship between the people of Bhutan and India began right from the sojourn of Guru Padmasambhava to the mountain top country. Buddhist preaches from India occasionally visited Bhutan via Tibet, and with the passage of time trade between India and Bhutan as well as the contact on the cultural affairs too got increasingly cemented.

This edited book is a collection of 18 articles covering Indo - Bhutan relations from the ancient period to modern times ranging over a variety of subjects such as history, geography, economy, religion, culture, trade, politics, health, education, communication, hydroelectricity, etc. It is an outcome of the collective efforts of all the contributors who are interested in these topics. At the end of the book, there are many invaluable documents related to Indo-Bhutan relations have been given in the Appendices section.

Dr. Ratna Paul is presently serving as an Assistant Professor in History at Birsa Munda College, Hatighisa, Darjeeling. She was an Assistant Professor in History at Nani Bhattacharya Smarak Mahavidyalaya, Jaigaon, Alipuduar from 2010 to 2020. She has a Master's degree in History from Visva Bharati Central University, Shantiniketan, West Bengal, M.Phil., and Ph.D. from the University of North Bengal, Darjeeling. Since joining the College at Jaigaon, bordering Phuentsholing, a town of southern Bhutan, she has developed a keen interest in Bhutan and has also done her Ph.D. on "The Growth and Development of Modern Education in Bhutan (1907- 1997 A.D.)". She was also the convener of an International Seminar on Indo-Bhutan affairs in her College at Jaigaon.

INDO-BHUTAN RELATIONS

EDITED BY
RATNA PAUL



INDO-BHUTAN RELATIONS

EDITED BY
RATNA PAUL



ABHIJEET PUBLICATIONS

4658-A, First Floor, Ambika Bhawan,
21 Ansari Road, New Delhi 110002
Phone: 011-23259444

E-mail: abhijeetpublication@gmail.com

@ AbhijeetPub21

8076785356

@abhijeet_publications

<https://www.linkedin.com/in/jitendra-singh-7729292b/>

www.abhijeetpublications.com

₹ 1250/-

ISBN: 978-93-92816-09-3



9 789392 816093



INDO-BHUTAN RELATIONS

Edited by
Ratna Paul

ABHIJEET PUBLICATIONS
NEW DELHI 110002

ABHIJEET PUBLICATIONS

4658-A, First Floor, Ambika Bhawan,
21 Ansari Road, New Delhi 110002
Phone: 011-23259444

E-mail: abhijeetpublication@gmail.com
twitter- @AbhijeetPub21
whatsapp- 8076785356
instagram: @abhijeet_publications
LinkedIn: jitendra-singh-7729292b/

INDO-BHUTAN RELATIONS

First Published 2022

© Reserved

ISBN 978-93-92816-09-3

[All rights reserved. No part of this publication may be reproduced, copied, stored in a retrieval system, transmitted or used in any form or by any means, whether electronic, mechanical, photocopying, recording or otherwise, without the prior permission from the author or publishers, except for a brief quotations in critical articles or reviews.]

PRINTED IN INDIA

Published by J.K. Singh for Abhijeet Publications, New Delhi-110002, Lasertypeset by Abhijeet Typesetters, New Delhi and Printed at Milan Enterprises, New Delhi.

Prof. Rajesh S. Kharat
In-charge
School of International Relations and
Strategic Studies



University of Mumbai
Rajiv Gandhi Centre Building, Vajrapur,
Santacruz (East), Mumbai-400 078.
Mob: 91687 66490 / 78359 62390
Email: director@uom.ac.in
Web: www.uom.ac.in

"University with Potential for Excellence"

Date: 28/12/2021

FOREWORD

The bonhomie between India and Bhutan is a testimony of culture, philosophy, travel, trade, and people to people relations. The firm foundation of their bilateral ties has stood firm against all odds and changes in the geo-strategic setup in the Himalayan region. During the recent COVID-19 crisis, India's medical assistance to Bhutan has been lauded by the people of Bhutan, which deepens the bilateral ties. Bhutan has also has come out to be a successful example in managing the pandemic and vaccinating more than 80 per cent of its eligible population by December 2021. In recognition of India's help in such testing times, the King of Bhutan conferred the highest Civilian Award, 'Order of the Druk Gyalpo', to Prime Minister Modi during its 114th National Day Celebration on 17 December 2021.

Given its location between the two competitive power-India and China, Bhutan's geo-strategic location has been an important consideration in developing an all-weather friendship between India and Bhutan. Based on the principles of *Panchsheel*, the two countries have established stronger and mutually benefitting ties in the areas of trade and hydro-electricity. Today, Bhutan's export of hydroelectricity to India serves as the most successful example of hydro-power cooperation globally. India's technical expertise has helped Bhutan explore its hydro potential. At the same time, it shows Bhutan's commitment to good governance, education and development and they have borne the fruits of success and economic advancements for the Himalayan Kingdom.

Today Bhutanese students are making remarkable contributions to their nation after studying at India's premium institutes like the Indian Institute of Technology, All India

Contents

<i>Foreword</i>	5
<i>Acknowledgements</i>	7
<i>Introduction</i>	11
1. Indo-Bhutan Relations (From a Personal Perspective)	25
<i>H.B. Vishwa</i>	
2. Indo-Bhutan Cultural Relations: Nehru-Wangchuck Cultural Centre	32
<i>Padam Kumar Talwar</i>	
3. Scholarships Administered by the Embassy of India in Bhutan: An Example of Indo-Bhutan Friendship	37
<i>Radha Venkataraman</i>	
4. Baboo Kishen Kant Bose and Rammohan Roy: Relooking the Issue of the First Indian Bengali duo's visit of Bootan, the <i>Druk Yul</i>	44
<i>Prof. Ananda Gopal Ghosh</i>	
5. Hydro-diplomacy and Water Cooperation between India and Bhutan	56
<i>Prof. Maitreyee Choudhury</i>	
6. Religio-Cultural Relations between India and Bhutan	75
<i>Dr. Sailen Debnath</i>	
7. Indian Co-operation for Communication and Hydroelectricity Development in Bhutan	112
<i>Prof. Anil Bhuimali, Prof. Jyotish Prakash Basu, Dr. Anil Kumar Biswas</i>	
8. Duars in the Tug-of-War Amongst Cooch Behar, Bhutan and the British-India Government	140
<i>Dr. Kartik Chandra Sutradhar</i>	
9. Reflections on the Medicinal System of Bhutan and a Dialogue with India	161
<i>Dr. Srabani Ghosh</i>	

10. Indo-Bhutan Trade in Post GST Period: An Overview 179
Dr. Gongotri Ghosh
11. India-Bhutan: Re-imagining Relations in the 21st Century 195
Adwitya Thapa
12. Bhutan Dooars to British Dooars: An Aspect of Indo-Bhutan Relations 221
Dr. Sonam B. Wangyal
13. Bhutan House in Kalimpong: It's Role in Maintaining Friendly Relation with India 237
Diki Ongmo Bhutia
14. Relocating Ahom-Bhutan Relations 248
Dr. Rameswar Kurmi
15. Indo-Bhutan Bilateral Relations: An Anecdote of Two States 260
Ananya Guha Roy
16. Guru Padmasambhava – A Legend of Buddhism 277
Joydeep Singh
17. Examining the Changing Dynamics of Indo-Bhutan Cross Border Trade: Reflections from the Bengal-Bhutan Border 285
Anuraj Sarkar
18. Contribution of the Dorji Family of Bhutan in Indo-Bhutan Relations: before and after Indian Independence 303
Dr. Ratna Paul
- About the Contributors* 332
- Appendices* 334
- I. Articles of the Treaty of Peace between the Honourable East India Company and the Deb Raja of Bhutan, 1774
- II. The Treaty of Sinchula, 1865
- III. The Treaty of Punakha, 1910
- IV. Treaty between India and Bhutan, 1949
- V. Treaty between India and Bhutan, 2007

Indo-Bhutan Trade in Post GST Period: An Overview

Dr. Gangotree Ghosh

ABSTRACT

The Government of India and the Royale Government of Bhutan have signed a bi-lateral free trade agreement known as "Agreement on Trade, Commerce and Transit between the Government of the Republic of India and the Royale Government of Bhutan" on 12th November, 2016 to strengthen the age old ties between these two countries, to expand the bi- lateral trade between these two countries, to curb the compliance burden associated with such bi-lateral trade, to facilitate benefits to people of those two countries and to boost up economic collaboration and thereby economic development. As the Indian government embarks on new Goods and Services Tax (GST) regime from July 1, Bhutan will experience two-edged consequences. Different studies have found that Indo-Bhutan trade has been influenced by the introduction of much talked Goods and Services Tax (GST). As a result of introduction of GST in India, Bhutan's imports from India are becoming cheaper, but exports to India are becoming costlier. Bhutan is worried that this may result spike in imports, depleting the country's

rupee reserve. In light of existing literature and with the help of secondary data the present study is an attempt to get an overview of the present scenario regarding Indo-Bhutan Trade in post GST period and to highlight the effects of GST on this bilateral trade and thereby to raise some issues related to Indo-Bhutan trade.

Key words: Indo- Bhutan, GST, export, import, zero rated

I. Introduction:

India and Bhutan, two neighbours, have friendly relationship filled with mutual co-operation and understandings. "Treaty of Friendship" signed between two countries in 1949 has made the relationship smooth, friendly and peaceful. Free trade regime and duty free transit were established between India and Bhutan by the "Agreement on Trade and Commerce" in 1972.¹ Afterwards this agreement has been renewed successfully in a regular succession. The Government of India and the Royal Government of Bhutan have signed a bi-lateral free trade agreement known as "Agreement on Trade, Commerce and Transit between the Government of the Republic of India and the Royale Government of Bhutan" on 12th November, 2016 to strengthen the age old ties between these two countries, to expand the bi lateral trade between these two countries, to curb the compliance burden associated with such bi lateral trade, to facilitate benefits to people of those two countries and to boost up economic collaboration and thereby economic development. According to the mutual decision of both the countries this agreement has come into force from 29th July, 2017. Being Bhutan's major export market and the foremost source of imports, India provides transit facilities to Bhutan through its territory to have access on its rail, water and air routes.

Union Government of India has taken a significant step for reforming indirect tax system by introducing Goods and Services Tax on 1st July, 2017 with three components viz. Central GST (CGST), State GST (SGST) and Integrated GST (IGST). GST has subsumed central taxes such as